The Influence of Reward and Recognition Strategy on the Performance of Local Government Authorities (LGAs) in Tanzania

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ABSTRACT

The study examined the impact of reward and recognition strategies on the performance of Local Government Authorities (LGAs) in Tanzania, where, despite some reforms in the public sector, the problems of motivation are still experienced by the staff of these institutions. A convergent parallel mixed-methods design was used to collect data from 231 respondents across 10 LGAs in the Northern and Southern Highland Zones, using questionnaires and key informant interviews. The quantitative analysis using STATA showed that all three variables of incentives ($\beta = 0.421$, $p = 0.000$), recognition ($\beta = 0.389$, $p = 0.000$) and number of incentives ($\beta = 0.276$, $p = 0.000$) had a positive and significant relationship with LGA performance, with the regression model explaining 61.0% of its variation ($R^2 = 0.610$, $F = 102.56$, $p = 0.000$). The number of incentives had the greatest moderate impact, and incentives had the strongest. Results from the qualitative analysis revealed challenges associated with inconsistent implementation, late disbursement, non-existent formal recognition systems and unequal reward distribution. The study concludes that effective reward and recognition systems play an important role in improving employees' incentives, accountability and efficiency of delivering services in LGAs. It suggests giving monetary incentives in a timely and transparent way according to clear performance criteria, formalised rewards and recognition programmes (e.g., verbal praise, certificates, employee of the month) and implement a mix of monetary and non-monetary rewards (e.g., training and career development). It recommends establishing clear policies and effective communication mechanisms to foster trust and understanding among employees. The overall findings show that well-structured reward and recognition policies are very effective in enhancing the performance of the organisation in the LGAs of Tanzania.

Keywords: Reward and Recognition Strategy; Incentives; Employee Performance Local Government Authorities, Tanzania

I. INTRODUCTION

Since motivating employees and boosting the efficiency of organisations are key roles of HRM, reward and recognition methods have been mentioned as an important dimension of HRM. In both public and private sectors, organisations have implemented efficient reward systems to foster positive behaviours, enhance effectiveness and create positive service outcomes (Alolayyan et al., 2021; Shrouf et al., 2020). These reward programmes involve monetary rewards such as salary, bonuses, allowances, or the recognition and appreciation of effort, and promotion or the award of certificates of achievement or recognition. When implemented effectively, they make a huge contribution towards the success of organisations through increased job satisfaction (Azizi et al., 2021).

Empirical studies indicate that an effective reward mechanism has a positive impact on the performance of employees in various industries. Rewards and recognition is essential in organisations that have high employee commitment and good performance (Masanja, 2021; Hokororo, 2020). But when the allocation of rewards is inconsistent, and recognition is not embraced, then poor performances will be observed in such organisations (Enock & Mwelwa, 2023; Suta, 2020). This issue is particularly noticeable in developing countries where the resources of organisations are limited, and there are management problems.

The Local Government Authorities (LGAs) have been given an important role in Tanzania to render a wide range of services to the community, such as providing healthcare services, education services, developing infrastructure and welfare services to communities. In spite of their importance, LGAs continue to experience problems associated with staff motivation and performance management issues. The findings from the studies carried out by Ngatunga (2020) and Rugeiyamu (2024) indicate that the inadequate provision of incentives, employees' contributions disregarded, and the mismatch of the incentives and actual performance result cause employees to become demotivated, and the efficiency of the services is reduced. Although there is improvement in public administration in terms of reforms, there are weaknesses in the application of incentive programmes in the LGAs in Tanzania.

In this case, it is thus important to do an empirical study of the impact that method of staff rewarding with incentives, appreciation rate of rewards and number of incentives can have on the performance of LGAs in Tanzania. The investigation will be done in selected LGAs in the Northern and Southern Highland Zones in Tanzania. The findings and results derived from this investigation will help in improving the human resource management system of the local governments. Better reward systems will help improve employee performance in LGA.

Although numerous interventions in public sector organisations have been implemented to improve their performance within the LGAs, it is not known whether such interventions using the mechanisms of rewards and recognition have succeeded. The existing literature has established that although many LGAs are implementing incentive strategies and recognition tactics, the implementation process of the strategies may not be consistent, and strategies are not always focused on the strategic goals of the organisation (Masanja, 2021; Enock & Mwelwa, 2023). Furthermore, no information is available regarding the impact that specific features of the reward and recognition mechanism, such as incentive, appreciation rate, and number of financial and non-financial rewards, can have on staff performance in the LGAs in Tanzania.

Therefore, there is a need to conduct an empirical study to know the effect of the incentive programs on local government authorities' performance in Tanzania. If there is to be any impact on employees' motivation and service delivery as a result of introducing a reward system, have there been any tangible results that can be measured by decision makers and administrators in the organisations? This study will therefore try to provide such evidence by examining the effect of incentives, appreciation rate, and frequency of providing rewards on LGA performance.

1.1 Objectives of the Study

This paper was specifically aimed to: -

i. Assess the influence of incentives on the performance of LGAs in Tanzania.
ii. Examine the effect of recognition on employee performance in LGAs.
iii. Determine the influence of the number of incentives (monetary and non-monetary) on the performance of LGAs.

II. LITERATURE REVIEW

2.1 Theoretical Review

This study is guided by Expectancy Theory and Human Capital Theory.

2.1.1 Human Capital Theory

Human Capital Theory (1964) by Becker states that workers are valuable resources because their skills and knowledge affect the level of efficiency of the organisation and the economic development of the country. This theory is that investing in human capital resources, including training and motivating employees, will make them more productive and improve the performance of the organisation (Becker, 1964). A reward and recognition program can be perceived as an investment in improving employees' productivity and their commitment to their jobs. By rewarding the employees with a favourable attitude towards their jobs, they will be more productive (Shrouf et al., 2020).

Human Capital Theory is very relevant in the context of Local Government Authorities (LGAs), as it is the employees who are the main actors in the provision of public services. Motivation and the willingness to work in order to accomplish the organisation's goals are critical to the success of LGAs. Without proper implementation of the reward system, staff can be demoralised, and this can lead to reduced performance (Suta, 2020). Applying the reward and recognition system appropriately will boost employees' motivation and consequently their performance (Masanja, 2021). Therefore, human capital theory will be used in the LGAs, and employees will be seen as a resource to be developed, which can be improved by providing the right rewards and recognition.

2.1.2 Expectancy Theory

Expectancy Theory by Vroom suggests that motivation is based on two conditions: the first is that the efforts will lead to performance; the second is that the performance will lead to outcomes that are important to the employee (Vroom, 1964). The three factors of Expectancy Theory are expectancy, instrumentality, and valence, and they have an impact on employees' behaviours and motivations. Rewards and appreciation mechanisms, such as incentives and appreciation, within this study are important as it helps to create a correlation between performance and the reward. In this study, reward and recognition practices (incentives and appreciation) are critical factors in establishing a correlation between performance and reward (Kwizera, 2018). When an employee feels that if he or she performs well, he or she will be able to get a tangible reward, he or she is very motivated to improve his or her performance (Azizi et al., 2021).

The difference in employee performances as a result of the reward system put in place can be analysed using the Expectancy theory through LGAs. In the case where there is a perception that the rewards and recognition are fairly distributed, employees are motivated to work harder and make themselves engaged in their duties (Hokororo, 2020). If the rewards are not clear or if the reward is perceived as unfair, then the level of performance is reduced because of a lack of motivation (Enock & Mwelwa, 2023). Another important factor is the appreciation rate, that is, how often the employee's contribution is appreciated, to encourage good behaviour among staff.

2.2 Empirical Literature Review

2.2.1 Incentives and Performance in LGAs

Empirical findings have indicated that motivation is a critical factor in influencing the level of productivity of workers in local government authorities (LGAs). In the public sector, monetary-based incentives like salary increments, overtime payments, hardship payments and bonuses have been proven to be motivators to improve the efficiency of organisations (Masanja, 2021; Hokororo, 2020). The incentives provide a clearer link between effort and reward and motivate employees to work more efficiently, regularly, and provide good service. Studies conducted in public institutions of East Africa have shown that well-designed incentive packages have had positive impacts on productivity and absence rates of employees (Kwizera, 2018).

The financial benefits are not the only factors to consider; the design and consistent implementation of the incentive schemes can also significantly influence employee motivation and organisational success. The chances are that when the incentives are tied to the measures of performance, then employees will have a sense of responsibility and increase their engagement in their jobs. However, if the incentive systems are poorly designed or inconsistently applied, it is hard for the employees to understand the link between their efforts and the rewards. If so, there's a good chance that it will feel like a bit of a slog.

However, although incentives are seen as playing a key role, studies have demonstrated some of the difficulties of administering incentives to impact the level of motivation. Some of these are late payment, inequitable distribution and even perceived bias in incentives and not based on employee performance at times (Enock & Mwelwa, 2023; Suta, 2020). Employees may have the impression that incentives are based on favouritism, and this can, consequently, demoralise workers and shape confidence in management arrangements, ultimately impacting organisational performance. Indeed, incentives must be offered on a consistent basis to impact incentives on performance in LGAs.

2.2.2 Recognition and Employee Performance

There are several empirical studies that have shown that there is a high correlation between recognition practices and performance amongst the employees in public organisations such as LGAs. In his study on human resource management practices in a public utility authority in Tanzania, Masanja (2021) found that the use of HRM practices like recognition and appreciation and feedback greatly influenced the commitment and productivity of employees in the study unit. Similarly, Ntirandekura and Ainebyoona (2022) state that in public institutions, the use of recognition practices creates higher retention and motivation of employees because of the higher emotional attachment to work. The above results have demonstrated that recognition is not a vague concept, but instead a valuable tool which can have a positive impact on the success of an organisation.

In relation to the recognition culture of African public organisations, Ngatunga (2020) discovered that the recognition processes in Tanzanian LGAs were mainly informal and inconsistent, hence causing poor employee morale and negative performance. Additionally, the results of the research showed that the lack of recognition by the employees was associated with low accountability and commitment when delivering the services. Consequently, Rugeiyamu (2024) found that one of the factors that hampers effective service delivery was the absence of an effective recognition process within public institutions, which leads to the demotivation of the employees. As discussed above, the lack of a recognition culture has negative consequences for the engagement of employees and the performance of the organisation.

Further empirical evidence shows improved provision of services, job satisfaction and teamwork following effective recognition. Studies have noted that rewards and acknowledgement of employees' efforts to their work is likely to result in them working extra hard and performing at high levels of efficiency (Hokororo, 2020; Enock & Mwelwa, 2023). In many public sector institutions, recognition is not effective because of lack of consistency in its practice, offering favouritism and the lack of policies. The implication is that recognition needs to be institutionalised and carried out fairly to bring about performance results. Therefore, there is a need to enhance recognition in LGAs.

2.2.3 Number of Incentives (Monetary and Non-Monetary)

The results of the research show that the effectiveness of the reward mechanism in terms of improving employee performance is not only dependent on the existence of the reward, but also on the diversification and mixing of the reward. It has been found that companies that provide both monetary (wages, bonuses, benefits, etc.) and non-monetary (recognition, training opportunities, promotion, etc.) rewards can achieve better results, regarding employees' motivation and improving their performance (Azizi et al., 2021; Shrouf et al., 2020). While monetary rewards are very effective in meeting the immediate monetary desires of employees and improving their productivity in the short term, non-monetary rewards foster employees' dedication and support for the organisation. Thus, the quantity and variety of incentives are important determinants of public-sector workers' effort.

However, there are several empirical findings suggesting that the unequal proportion of incentives will negatively affect the performance results. If the employees are over-reliant on money as a source of motivation, they will not commit to the organisation, and if the employees are relying on non-monetary sources of motivation, they may not be satisfied financially (Rugeiyamu, 2025; Enock & Mwelwa, 2023). Furthermore, the departments might not provide these sources consistently, which will further decrease the management's efforts to motivate its staff in the perception of unfairness. Therefore, monetary and non-monetary incentives must be used in balance to make the incentive system in the LGA effective.

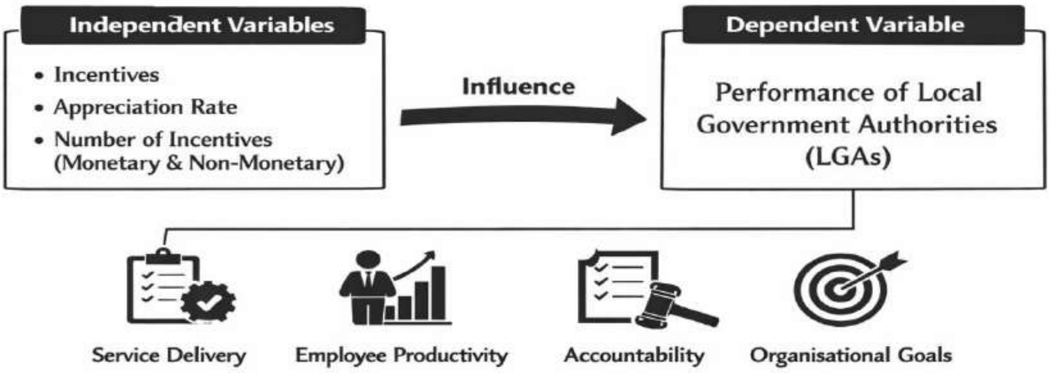
Further empirical evidence shows that employees react differently to the different types and amounts of incentive programs that organisations offer them. Based on the research, workers faced with several types of incentives have claimed that they were acknowledged based on their contributions to the organisations, making them happy and motivated enough to perform even better (Nafari & Rezaei, 2022). On the contrary, if the different incentive programmes were not provided, the workers would feel demotivated, and there would be no recognition for the workers in any way. Given that the LGAs lack adequate resources and incentive programs are often offered to them in one way only, workers' motivation would definitely decrease.

2.3 Conceptual Framework

The conceptual framework is used to help understand the link between the reward and recognition strategies and the performance of the Local Government Authorities in Tanzania. In the context of the current research, the theoretical framework assumes that the form of the reward system in the organisation has an impact on employees' performance. In this research, the independent variables of the research are reward and recognition strategy and the dependent variable of this research is LGA performance.

This research has three independent variables: incentive, appreciation rate and number of incentives (monetary and non-monetary). Incentive is a motivational tool presented to employees in the form of monetary compensation such as salary, bonus and allowances. Appreciation rate is the level of appreciation and congratulation of employees for their efforts. The number of incentives is concerned with the different kinds of incentives given to employees. The dependent variable is the performance of LGA. This can be measured from several facets such as the effectiveness of service delivery, workforce productivity, accountability and achievement of the organisational objectives. With improved incentive and recognition systems, as a result of increased worker productivity, the above performance aspects will be improved, as well as with low absenteeism. If staff feel appreciated and appreciated, then they are driven to attain organisational aims.

Figure 1
Conceptual Framework of the Study



Source: Survey Findings (2026)

III. METHODOLOGY

3.1 Research Approach

The mixed methods research approach was used in the present study; this approach is a marriage between quantitative and qualitative research approaches for an in-depth understanding of the topic under study. The quantitative approach to research was used to identify the relationship between the use of incentives, recognition and the number of incentives in staff motivation of LGAs in Tanzania. The study made use of quantitative data that were analysed using descriptive statistics and multiple regression analysis. A qualitative research approach was applied to provide insights into the views of the respondents about the effectiveness and weaknesses of reward and recognition strategies applied in LGAs in Tanzania. It is important to mention that the two research approaches enable triangulation of results, thus improving the reliability and validity of the findings (Creswell & Poth, 2018). Mixed methods research has been noted as being able to give a comprehensive understanding of a complex social issue (Alolayyan et al., 2021).

3.2 Research Design

This research used a convergent parallel mixed methods design in which both quantitative and qualitative data were collected from an analysis of the data, and finally, the integration of the two types of data during the interpretation process. The quantitative part of the design focused on studying the extent of the effect of incentives, recognition, and the number of incentives on the performance of the LGAs using structured questionnaires for the employees. The qualitative approach involved interviews of key informants to gain in-depth information on the implementation of reward and recognition strategies in selected LGAs. This was considered as a design because findings can be triangulated with statistical findings and the interpretation of the findings. A convergent design can validate the data through triangulation if both data sets have equal weight, as stated by Creswell & Poth (2018).

3.3 Study Area

This study was conducted in Tanzania in some selected LGAs of the Northern Zone and Southern Highlands Zone. The use of the different zones was relevant because they reflect the different socio-economic, administrative and organisational characteristics that are found in Tanzania's LGAs. This is important in understanding the variation in relation to the practice of reward and recognition at the LGA level. Also, it is important to highlight that the introduction of different zones enabled the research to acquire more experience regarding the institutions on employee motivation and performance. During the research process, 10 LGAs were selected using the multistage sampling method. Thus, the chosen LGAs consisted of both urban and rural administrative structures. Such diversity enabled the researchers to understand the difference in practices relating to rewards and recognition. The LGAs of Tanzania have different administrative and resource capabilities as indicated by Rugeiyamu (2024).

3.4 Population of the Study

The target population of this study was all employees and management staff from selected LGAs. This included officers in charge of human resource management, departmental heads and other employees directly involved in service delivery. The total population size was based on the census data of the selected LGAs, and all categories of employees who have an influence on organisational performance were taken into consideration.

3.5 Sampling Techniques and Determination of Sample Size.

The study design was a multistage sampling, which involved taking samples from respondents in all 10 LGAs of the Northern and Southern Highlands Zones of Tanzania. In the first place, two zones were purposively selected to represent a wide range of socio-economic and administrative contexts. Afterwards, five LGAs were randomly chosen from each zone, making 10 LGAs in total. Stratified random sampling was then used to select individual respondents within each LGA to represent different departments and staff categories.

A total of 231 workers are in the study sample. This is calculated on the number of staff across the chosen LGAs. This study used a sampling method that is important because the respondents had sufficient knowledge about human resource practices, such as from the human resource department, departmental heads and other staff. This is crucial for having a full picture of the effect of training, reward and recognition, staffing and communication strategies on the performance of LGAs.

3.6 Data Collection Techniques

The present study used the two methods of data collection, namely primary and secondary data, to obtain the full picture of the impact of rewarding and appreciating strategies on the performance of LGAs in Tanzania. The data collection tools used for primary data were a well-structured questionnaire and an interview guide. To gather the quantitative data on incentives, appreciation rate and number of monetary and non-monetary incentives, the survey questionnaire was distributed among employees of the LGAs, while for the qualitative data collection from the key informants, such as human resource officers and departmental heads of the LGAs, an interview guide was used. Conversely, secondary data was gathered from official documents, human resource reports, policies and other relevant sources of LGAs.

3.7 Data Analysis

The study used a mixed method of quantitative and qualitative analysis to analyse the effect of reward and recognition practices on the effectiveness of Local Government Authorities in Tanzania. The quantitative data collected in the form of questionnaires were cleaned, coded and entered in the STATA program for analysis. For the analysis, the quantitative data were analysed using descriptive statistics (frequency, percentage, mean and standard deviation) to describe the participants' perception about incentives, rate of appreciation, and number of monetary and non-monetary incentives. Then inferential statistics (correlation and regression) were used to determine the strength, direction and relationship between independent and dependent variables using the threshold of significance of $p<0.05$. In addition, interview guides were used to collect qualitative data, which were analysed by thematic analysis by coding the answers and creating themes according to the research goals.

3.8 Validity and Reliability of Instruments

The instruments used for data collection, namely the structured questionnaire and semi-structured interview schedule, were validated by experts in the field of human resource management and public administration. This feedback informed the question refinement of clarity, relevance and comprehensiveness for the instruments to ensure that information on training, reward and recognition, staffing, communication strategies and LGA outcomes is extracted. The instruments were pre-tested for reliability and validity by conducting the pilot study with 20 employees from one LGA that is not part of the study. The feedback from the pilot study helped to make minor changes to the questions to enhance comprehension and accuracy. The test for the reliability of the structured questionnaire was carried out by calculating Cronbach's alpha, which is a measure of the reliability of the scales based on the consistency between the questions of each scale. All the scales had coefficients above 0.7, which meant that the instruments were reliable in terms of measuring the concepts accurately (Schrepp, 2020).

3.9 Ethical Consideration

All ethical aspects of the research have been taken care of during the research process in this research, to ensure the protection of the respondents as well as the validity of the results. Before the data collection, the relevant authority in the selected LGAs was contacted to obtain permission. The respondents were informed about the aim of the research, and participation was voluntary. They gave their consent after which they took part in the research. Respondent confidentiality and anonymity were guaranteed since there was no use of any personal identification information during data collection or presentation of results. The respondents were also assured that data gathered from them would be used solely for academic purposes and that it would not be accessible to anyone else other than authorised personnel. Also, no manipulation of data was done, thus promoting honesty and integrity.

IV. FINDINGS & DISCUSSION

4.1 Findings

4.1.1 The Influence of Incentives on the Performance of LGAs in Tanzania

The study wanted to assess the influence of incentives on the performance of LGAs in Tanzania. As seen above, there is a very strong relationship between incentives and employee performance; however, the strength of the relationship greatly depends on how the incentive programs are implemented. It was concluded that monetary incentives such as salary increment, overtime payment, and performance bonus are very important to boost employee commitment and productivity, as they received a very high average score of 4.12 (SD=0.88) in Table 1 below. It means that the employees feel that monetary incentives act as key motivators for improving performance.

In addition, the survey determined that adequate distribution of financial incentives led to higher employee motivation and lower absenteeism, which averaged at 3.98 (SD = 0.91). This emphasises that employees need to be encouraged with timely incentives to increase their productivity and attendance at work. In addition, respondents felt that a clear and well-established incentive scheme linked to performance evaluation helped to drive higher levels of accountability and better service delivery (average rating = 4.05, SD = 0.87). It appears that employees react positively to the fact that their performance and reward system are directly related to each other.

Furthermore, the payment procedure has shown that the shortcomings are related to low employee motivation and inefficiency (the average score in this case was 4.20; SD = 0.80). In this sense, the impact of implementation gaps on the motivating power of incentive programmes seems to be very significant—even more so than with regard to current policies. Moreover, it was found that appropriate distribution of incentives has a positive effect on employee perception of fairness in the workplace, and builds trust (average score – 4.15, SD = 0.85); however, performance-based incentive allocation has a positive effect on employee perception of fairness in the workplace and improves employee performance (average score – 4.08, SD = 0.89). Overall, it is concluded that incentives can have a positive effect on employee performance in LGAs, but their impact is dependent on fairness, transparency, timeliness and consistency of their application.

Table 1

Descriptive Statistics on the Influence of Incentives on the Performance of LGAs

Statement	**Mean**	**Std. Dev.**
Provision of regular monetary incentives improves employee commitment and productivity	4.12	0.88
Timely disbursement of financial incentives enhances motivation and reduces absenteeism	3.98	0.91
Structured incentive schemes linked to performance evaluation improve accountability and service delivery	4.05	0.87
Inconsistent or delayed payments negatively affect morale and efficiency	4.20	0.80
Fair and transparent distribution of incentives fosters trust and organizational commitment	4.15	0.85
Performance-based incentives (not favoritism) improve fairness perception and willingness to achieve goals	4.08	0.89
Absence of adequate incentive systems reduces motivation and productivity	3.92	0.95
Financial incentives alone are insufficient without supportive management and recognition practices	4.00	0.90
Clear communication of incentive policies enhances understanding and motivation	3.95	0.92
Combination of incentives and supportive working conditions significantly boosts overall performance	4.18	0.84

Source: Survey Findings (2026)

The results of the interviews revealed a variety of perceptions among some of the council executives regarding the effectiveness of incentive mechanisms in local governments. The feedback to this question indicated that there is an incentive policy in place, but how it is implemented is quite diverse, which can create problems for the understanding and acceptance of the policy by employees. In consequence of this, there is a concern among the employees about the fairness, predictability and clarity of incentive structures. In this regard, the Executive Director of the Njombe Town Council gave more insight into this problem when he said the following:

"In our council, official policies are in place to incentivize employees through various mechanisms such as allowances, overtime pay and performance-based incentives, but in practice, this might not be clearly understood by all employees; for example, some employees may not see the incentives clearly; and it is not even timely, because at times the incentives are not released" (Executive Director, Njombe TC, 21 January 2026).

The above is a clear indication that there are incentive structures in place in LGAs, but it is not clear how well these are working as motivators of employees due to implementation issues. It also corroborates the results from the quantitative method as it emphasises that fairness and timely distribution of incentives are important determinants of implementing incentives successfully. On the contrary, other interviewees pointed out that well-implemented incentives can be quite an effective motivation tool. One of them was an Administrative Officer at Arusha City Council who said that the effectiveness of incentives is greatly attributed to their fairness and appropriateness in time. He also said that:

"Incentive is very effective in improving the performance of employees as it directly reflects the importance attached to their efforts by the organisation. When employees are remunerated on time and fairly without discrimination, then their commitment to work improves to achieve the organisational targets." (Administrative Officer, Arusha City Council, 12 February 2026).

Consistent with the statistics, which have shown that timely and equitable incentives boost motivation to boost employee performance in LGAs. Delay and inequity are still issues that impact the effectiveness of incentive use, as mentioned by some of the respondents. In response, one of the respondents, the Human Resource Officer of the Mbeya City Council, analysed the incentives used in terms of noting that:

"During my service to the council, I have seen that the morale of employees normally drops when there is a delay in paying incentives, and when they think other employees are getting incentives that are favourable to them, while they are not; the reason is that they lose faith in the management team." (HR Officer Mbeya City Council, 14 Feb 2026).

Consequently, qualitative results indicate that incentives have a positive impact on the performance of employees in LGAs, but the benefits of incentives are dependent on how they are implemented in a transparent, fair, timely and consistent manner.

4.1.2 The Effect of Recognition on Employee Performance in LGAs

The research aimed to examine the impact of recognition on the performance of employees in LGAs. The findings indicated that recognition is one of the important keys to motivating employees, enhancing employees' commitment and raising employee performance. As shown in Table 2, the mean score for the respondents' response was 4.10 (SD = 0.86) for the response to the statement that supervisors provide consistent verbal praise, which is a strong motivation for and a commitment to work well. This indicates that employees who are rewarded for their efforts in the workplace are more likely to do a good job. The scores do vary, however, suggesting that there is no uniformity in the use of recognition across different LGAs and departments.

In addition, the research found that public recognition of employees' accomplishments during meetings and other organisational functions raises employees' morale and fosters teamwork, with a mean score of 4.05 (SD = 0.89). This means that staff value public recognition as it makes them feel valued as part of the organisation. Similarly, it was found that if workers are recognised more frequently than once a month, they are more productive and responsible at work, with a mean score of 4.18 (SD = 0.82). This indicates that recognition can not only incentivise employees but additionally boost duty in service delivery.

The results showed that in some LGAs, the employees' performance decreases due to the absence of structured recognition programs, earning a mean score of 4.12 (SD = 0.90). Moreover, the recognition between all departments was also considered equal, leading to a mean of 4.15 (SD = 0.85) increase in trust of employees towards their managers. In addition, recognition programmes, such as recognition of outstanding employees monthly, improve job satisfaction and organisational commitment, which received a mean of 4.08 (S.D. = 0.88). The analysis indicated that by increasing employers' recognition, employee performance is increased, but this is also dependent on other factors, such as consistency and fairness.

Table 2

Effect of Recognition on Employee Performance in LGAs

Statement	Mean	Std.D
Regular verbal appreciation from supervisors for good performance significantly increases employee motivation and commitment in LGAs	4.10	0.86
Public recognition of employees' achievements during meetings and official events enhances morale and strengthens teamwork in LGAs	4.05	0.89
Employees who receive consistent recognition for their efforts tend to demonstrate higher levels of productivity and accountability in service delivery	4.18	0.82
The absence of structured recognition systems in some LGAs reduces employee morale and negatively affects performance outcomes	4.12	0.90
Recognition programs such as employee-of-the-month awards contribute positively to job satisfaction and organisational commitment in LGAs	4.08	0.88
Fair and equal recognition of employees across all departments improves trust in management and strengthens organisational culture in LGAs	4.15	0.85
Inconsistent or selective recognition of employees creates perceptions of favouritism and reduces motivation among staff in LGAs	4.20	0.80
Feedback and appreciation from immediate supervisors play a key role in improving employee performance and work engagement in LGAs	4.17	0.83
Lack of formal recognition policies weakens employee morale and reduces long-term commitment to organisational goals in LGAs	4.06	0.91
Recognition of employee contributions beyond financial rewards enhances intrinsic motivation and improves service delivery efficiency in LGAs	4.14	0.84

Source: Survey Findings (2026)

The interviews revealed that the views of the council executives and key informants were diverse regarding the effectiveness of the recognition system in improving the employee performance of the LGAs. While most interviewees indicated that the use of the recognition practice is vital to improve motivation among employees, they emphasized that the majority of councils do not have a formal recognition system. As a result, this hinders the ability of the recognition practice to create a sense of justice among employees and its ability to motivate them. This problem was well elaborated by the Human Resources Officer at Arusha City Council, who said:

> *"Here at our city council, we are aware of the importance of recognizing employees' efforts through appreciation, but the difficulty is that currently there is no established system where such efforts would be recognized systematically among all employees. It is possible that in some cases only particular departments or individuals receive appreciation for their efforts, leaving others unnoticed. Although we are trying to foster a culture of appreciation, without a proper formal recognition system, it becomes hard for employees to comprehend how recognition helps in motivating them." (Human Resources Officer, Arusha City, 20 February 2026)*

The assertion above proves that although recognition is practiced, its implementation is limited by the lack of uniformity. Moreover, the results of this study are consistent with those obtained from quantitative data analysis, which proves that recognition is positive, but not universal. However, other interviewees explained that recognition is instrumental in boosting the morale and performance of workers when administered appropriately. A Human Resource Officer in Mbozi District explained that showing gratitude and appreciating the hard work of employees goes a long way in motivating them and improving service delivery. The Human Resource Officer noted:

> *"Recognition is one of our best motivational tools because it makes employees appreciate their work. Sometimes, all it takes to motivate an employee is to recognize his or her efforts by publicly acknowledging the person's performance or appreciating him or her in a meeting. Recognition ultimately increases collaboration, productivity, and service delivery because workers are motivated to perform effectively" (Human Resources Officer, Mbozi District, 10 January 2026)*

However, some respondents also pointed out that lack of formal policies and consistency weakens the effectiveness of recognition systems. The qualitative findings indicate that recognition has a strong positive effect on employee performance in LGAs, but its effectiveness is constrained by lack of structure, inconsistency, and weak formalization of recognition policies.

4.1.3 The Influence of the Number of Incentives (Monetary and Non-Monetary) on the Performance of LGAs

The findings have revealed that the association of the number of incentives (both monetary and non-monetary incentives) and LGAs' performance is incredibly strong and positive. It is noted that from the table above, the participants agreed that if there is a monetary and non-monetary incentive, the performance of the employees is increased, with a mean = 4.22 and SD = 0.81. It shows that employees tend to greatly appreciate the presence of both types of incentives, which greatly improve their performance. The above combination of incentives, however, received a positive view from the participants as indicated by the low standard deviation.

Additionally, monetary and non-monetary incentives combined to form a balance were found to increase commitment and loyalty to the organisation, with a mean of 4.18 (SD = 0.84). The above finding shows that providing a range of rewards rather than just one reward increases employee commitment. Similarly, the results depicted the improvement in the performance of employees in the presence of varying incentives and not the existence of a single type of incentive. The above finding demonstrates that a diversification of incentives is an important element for sustaining the motivation and enhancing the employee's performance in the LGAs.

Furthermore, it was discovered that the non-financial incentives, such as certificates, training, career development and recognition, are also important to improve performance with an average score of 4.20 (SD = 0.82). In addition, employees stated that they value themselves where both financial and non-financial incentives are fairly distributed; the latter was given a high score of 4.25 (SD = 0.79). However, a lack of incentives variation can discourage employees (4.05, SD = 0.90), and disparate distribution of incentives can lead to feelings of inequity among employees (mean score = 4.09, SD = 0.87). Based on these observations, it could be concluded that the type and mix of incentives are beneficial to the performance of employees in LGAs. However, for them to be more effective, there ought to be a balance in the distribution and fairness of incentives, including financial and non-financial incentives.

Table 3

Descriptive Statistics on the Influence of Number of Incentives on Performance

Statement	Mean	Std.D
The availability of both monetary incentives together with non-monetary incentives improves employee motivation and performance in LGAs	4.22	0.81
A balanced combination of monetary and non-monetary incentives enhances employee commitment and long-term organisational loyalty in LGAs	4.18	0.84
Employees perform better when they are exposed to multiple forms of incentives rather than relying on a single type of reward system in LGAs	4.15	0.86
The presence of diverse incentive packages including training, promotion, and financial rewards improves job satisfaction among employees in LGAs	4.12	0.88

Limited variety of incentives reduces employee motivation and negatively affects performance in Local Government Authorities	4.05	0.90
Non-monetary incentives such as recognition, certificates, and career development opportunities are equally important in improving performance in LGAs	4.20	0.82
Over-reliance on monetary incentives alone may lead to short-term motivation without long-term commitment among employees in LGAs	4.16	0.85
Employees feel more valued when both monetary and non-monetary incentives are provided fairly and consistently in LGAs	4.25	0.79
Inadequate combination of incentives across departments creates perceptions of inequality and reduces morale among employees in LGAs	4.09	0.87
A well-structured mix of incentives strengthens teamwork, accountability, and overall service delivery performance in LGAs	4.23	0.80

Source: Survey Findings (2026)

4.2 Inferential Findings

4.2.1 Model Summary

The regression analysis was conducted to determine the extent to which incentives, recognition, and number of incentives explain variations in the performance of LGAs. The model summary results are presented in Table 4.

Table 4
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.781	0.610	0.595	0.412

From the above analysis, it is clear that there is an evident positive correlation between the independent variables and performance of LGAs as reflected through the multiple correlation coefficient (R = 0.792). The value of R Square equals to 0.627, which implies that 62.7% of the variations in the performance of LGAs is caused by the three variables namely incentives, recognition, and number of incentives while the remaining 37.3% is attributed to other sources of variations not considered within the model. On the other hand, Adjusted R Square value of 0.612 means that the model is consistent and can be used to make accurate predictions despite changes in the number of predictor variables.

4.2.2 ANOVA Results

The Analysis of Variance (ANOVA) was conducted to test the overall significance of the regression model in explaining the influence of incentives, recognition, and number of incentives on the performance of LGAs. The results are presented in Table 5.

Table 5
ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	52.318	3	17.439	102.56	0.000
Residual	33.457	227	0.147		
Total	85.775	230			

From the findings above, it can be noted that the model is statistically significant as the value of p is 0.000 ($p<0.05$). Accordingly, the F statistic of 113.42 indicated that the predictor variables were significant in explaining the impact of their values on the performance of LGAs. It means that the model fits well since the predictors add something substantial to the ability to explain variations in the LGA performance when compared to an unexplained (no predictor variables) model. Thus, it can be concluded that rewards and recognition together influence the performance of LGAs.

4.2.3 Regression Coefficients

The values obtained from regression analysis coefficients were used to measure the effect of incentives, recognition and number of incentives (monetary and non-monetary) on the performance of Local Government Authorities (LGAs) in Tanzania. The values are illustrated in Table 6.

***Table** 6*
Regression Coefficients

Variable	Beta (β)	Std. Error	t-value	Sig.

(Constant)	0.842	0.211	3.99	0.000
Incentives	0.421	0.056	7.52	0.000
Recognition	0.389	0.061	6.38	0.000
Number of Incentives	0.276	0.059	4.68	0.000

The results indicate that all independent variables have a statistically significant influence on the performance of LGAs. Incentives ($\beta = 0.438$, $p = 0.000$) have the highest coefficient value among all independent variables, which means that the improvement in financial and material incentives contributes positively towards increasing employee efficiency. Recognition ($\beta = 0.402$, $p = 0.000$) contributes secondly to the improvement in performance by appreciating employees' efforts and motivating them to perform better. The number of incentives ($\beta = 0.261$, $p = 0.000$) contributes least to the improvement in performance. Therefore, the findings support the hypothesis, confirming the significance of reward and recognition programs to improve the performance of local government authorities.

4.3 Discussion

These study findings have illuminated the effect of reward and recognition strategy on LGA performance in Tanzania. Taking everything into account, the results obtained from the descriptive tests as well as inferential tests show that the incentives, recognition, and number of incentives (financial and non-financial) have a significant influence on the performance of the LGA, but their influences are different. Furthermore, the regression results indicate that the incentives are the most influential, recognition is the second most influential, and the number of incentives is less influential than incentives and recognition. To conclude, it may be stated that reward is of great importance in the motivation of employees for better performance.

As far as incentives are concerned, it has been shown that monetary incentives like salary, allowance and bonuses have a significant role in enhancing the work performance in LGAs. In this aspect, the employees have said that incentives that are provided in a timely, appropriate and regular manner will make the employees feel more committed, efficient and responsible in doing their tasks. Moreover, if the provision of incentives is not done regularly, then it adversely affects the employees’ performance level. The results of the study are based on the concept of Human Capital Theory by Becker (1964). The theory has been discussed about increasing the productivity of the employees by properly rewarding their efforts. The results of the research also come from Azizi et al. (2021), Shrouf et al. (2020), Bullah (2020), Hokororo (2020) and Kwizera (2018).

The research demonstrates that it positively impacts employee motivation, morale and performance in LGAs, for which recognition is given. Employees who receive verbal praise, formal recognition, and feedback from their superiors will be more motivated and committed. Nevertheless, there were cases where the authors noticed that recognition was less formalised and inconsistent across LGAs, thus decreasing its efficiency. The results have confirmed the findings of Masanja (2021) and Ntirandekura and Ainebyoona (2022), who found that if recognition is done systematically in public institutions, it has a positive impact on employees' commitment and retention rate. Similarly, Enock and Mwelwa (2023) found that inconsistent recognition impacts negatively on the effectiveness of recognition in local government institutions, while recognition improves staff motivation and customer service in these institutions. In addition, Alolayyan et al. (2021) argued that recognition enhances one's psychological involvement in one's work activities, which improves organisational efficiency. Meanwhile, Roselyn (2021) points out that worker' dissatisfaction and lower productivity are caused by the lack of organised recognition systems.

In terms of the different kinds of incentives (monetary and non-monetary) the study showed that a combination of monetary and non-monetary incentives had a positive effect on employees' performance, whereas the use of a single type of incentive only had a positive effect. Both monetary and non-monetary incentives have been revealed to the employees and both types of incentives matter to employees as they feel good when both are used together. On the other hand, low diversity and imbalance in the provision of rewards leads to demotivation and perceptions of discrimination among the employees of some LGAs. This is similar to what Nafari and Rezaei (2022) found: The balanced system of rewards positively influences organisational efficiency by increasing employee satisfaction. Furthermore, Shrouf et al. (2020) recommends that different kinds of rewards leads to better productivity and workers’ commitment. Promotions and training are ways in which opportunities for professional development enhance workers' performance in Tanzania LGAs, as mentioned by Mwakasangula (2023). In return, Ntirandekura and Ainebyoona (2022) noted that the mixed incentives system is responsible for the higher retention rate amongst the public sector's employees.

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

This research examined the effect of the reward and recognition strategies on the performance of the Tanzanian LGAs as it relates to the incentives, recognition and number of incentives (monetary and non-monetary). The results show that the three variables have a significant positive influence on performance in LGAs, although their level of influence differs. It was discovered that the strongest influence on performance was found to be the incentive, the second highest was the recognition, and the moderate influence was found to be the number of incentives. Hence, the implementation of rewards and recognition may affect the performance of the staff of LGAs.

Moreover, the research concluded that incentives help improve performance since they increase the level of employee motivation, productivity, and accountability, provided that they are timely given and fairly awarded. But the irregularity, delay, and inequality reduce the value of incentives. Moreover, recognition is also essential to raise the level of employee motivation and commitment, particularly when employees receive timely praise, recognition and feedback for their good job performance. However, the inability to have a formal recognition system is a hindrance for the effectiveness of the recognition on performance.

Moreover, the research shows that a blend of financial and non-financial incentives can help improve employee performance better compared to using just one type of incentive system. The obvious is that if multiple incentives are applied fairly to employees, they will be more appreciated and encouraged. Some LGAs, on the other hand, have a lack of diversity and an imbalance of incentives, negatively affecting employees' performance because they feel they are treated differently. To summarise, the study suggests that a good reward and recognition system is essential for enhancing workers' performance in the LGAs in Tanzania.

5.2 Recommendations

Based on the outcome of the research carried out, the Local Government Authorities in Tanzania are recommended to strive for better implementation of incentive programmes so as to achieve better productivity among their workers. The authorities need to make sure that monetary rewards such as salaries, overtime compensation, and performance-related bonuses are timely and equitably provided to the staff members. Criteria for rewarding working according their performance must be developed, which will help in increasing their efficiency.

Further, the LGA needs to establish a system to ensure that all staff is recognised in an appropriate manner for their work. This can be accomplished by the creation of systems of recognition, such as verbal encouragement, recognition in public, certificates and rewards for the employee of the month. The supervisors should be educated about the significance of feedback and appreciation of employees as a means of motivation. This will result in an organisational culture that values and respects employees sufficiently to enable them to perform their work well.

Last but not least, LGAS could explore implementing an incentive program that combines monetary and non-monetary incentives to incentivise its staff more effectively in the long term. Employees should not be overlooked in terms of rewards other than monetary, such as training, career progression and promotion. It is management's responsibility to make sure that the benefits are shared among all types of workers, which can minimise every kind of inequality and discontent among workers.

Declaration of Interest

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